



0000012388

EM

ORIGINAL

41 u ✓

63512

**MEMORANDUM**

Arizona Corporation Commission

**DOCKETED**

RECEIVED

2001 MAR -9 A 10:39

TO: THE COMMISSION

MAR 09 2001

FROM: Utilities Division

DOCKETED BY

fcd

AZ CORP COMMISSION  
DOCUMENT CONTROL

DATE: March 8, 2001

RE: IN THE MATTER OF THE JOINT APPLICATION OF TUCSON ELECTRIC POWER COMPANY, AN ARIZONA CORPORATION, AND TRICO COOPERATIVE, INC., AN ARIZONA CORPORATION, FOR AN ORDER APPROVING A BORDERLINE AGREEMENT (DOCKET NOS. E-01461A-01-0083 AND E-01933A-01-0083)

On January 26, 2001, Tucson Electric Power Company ("TEP") and Trico Electric Power Cooperative ("Trico") filed a joint application that would allow Trico to serve property owned by Mr. Barry Bender ("Bender") which is located within the certificated area of TEP. Both TEP and Trico are engaged in providing electric service within portions of Pima County, Arizona, pursuant to the authority granted by the Arizona Corporation Commission.

The Bender property is located within TEP's certificated area. However, Trico's facilities exist along the western boundary of the Bender property. On January 26, 2001, TEP and Trico entered into a Borderline Agreement whereby TEP has authorized Trico to serve the Bender property by an extension of Trico's facilities. TEP's nearest existing facilities are located approximately 2,500 feet from the property. Per TEP's service tariff, the property owner would incur approximately \$10,000 in costs to extend the TEP facilities to serve the property. In contrast, Trico's existing facilities are well within the 600-foot distance allowance per Trico's service tariff. As such, Bender would be able to obtain service from Trico under standard service charges. Under the terms of the contract, TEP has reserved the right to provide service to the Bender property when TEP determines that it is economical to do so. In the event TEP elects to provide service, TEP will compensate Trico for any Trico facilities used to provide such service.

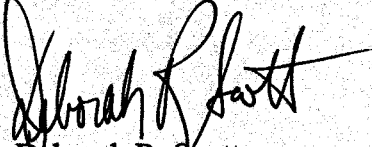
On March 15, 1999, in Decision No. 61570, the Commission authorized a TEP-Trico Borderline Service Agreement for an adjacent Bender property. This agreement is for the same parties, for the same reasons, with the same effect. Staff believes that the borderline agreement is in the public interest as it will allow the property owner to obtain service at a lower cost, provide Trico with additional revenue, and provide TEP with the opportunity to serve the customer once the company has installed adjacent facilities.

THE COMMISSION

March 8, 2001

Page 2

Staff believes the proposed borderline agreement is in the public interest and recommends approval. Staff further recommends that TEP notify the Utilities Division prior to exercising their right to serve the property.

A handwritten signature in black ink, appearing to read "Deborah R. Scott", with a long horizontal flourish extending to the right.

Deborah R. Scott  
Director  
Utilities Division

DRS:JEF:lhv\TIW

Originator: James E. Fisher

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL

Chairman

3 JIM IRVIN

Commissioner

4 MARC SPITZER

Commissioner

5  
6 IN THE MATTER OF THE JOINT APPLICATION)  
OF TUCSON ELECTRIC POWER COMPANY, )  
7 AN ARIZONA CORPORATION, AND TRICO )  
ELECTRIC COOPERATIVE, INC., AN ARIZONA)  
8 CORPORATION, FOR AN ORDER APPROVING )  
A BORDERLINE AGREEMENT )

DOCKET NOS. E-01461A-01-0083  
E-01933A-01-0083

DECISION NO. \_\_\_\_\_

ORDER

9  
10 Open Meeting  
March 27 and 28, 2001  
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. On January 26, 2001, Tucson Electric Power Company ("TEP") and Trico Electric  
15 Power Cooperative ("Trico") filed a joint application that would allow Trico to serve property owned  
16 by Mr. Barry Bender ("Bender") which is located within the certificated area of TEP.

17 2. Both TEP and Trico are engaged in providing electric service within portions of Pima  
18 County, Arizona, pursuant to the authority granted by the Arizona Corporation Commission.

19 3. The Bender property is located within TEP's certificated area. However, Trico's  
20 facilities exist along the western boundary of the Bender property.

21 4. On January 26, 2001, TEP and Trico entered into a Borderline Agreement whereby TEP  
22 has authorized Trico to serve the Bender property by an extension of Trico's facilities.

23 5. TEP's nearest existing facilities are located approximately 2,500 feet from the property.  
24 Per TEP's service tariff, the property owner would incur approximately \$10,000 in costs to extend the  
25 TEP facilities to serve the property.

26 6. In contrast, Trico's existing facilities are well within the 600-foot distance allowance per  
27 Trico's service tariff, as such Bender would be able to obtain service from Trico under standard service  
28 charges.

1       7. Under the terms of the borderline agreement, TEP has reserved the right to provide  
2 service to the Bender property when TEP determines that it is economical to do so. In the event TEP  
3 elects to provide service, TEP will compensate Trico for any Trico facilities used to provide such  
4 service.

5       8. On March 15, 1999, in Decision No. 61570, the Commission authorized a TEP-Trico  
6 Borderline Service Agreement for an adjacent Bender property that is similar to the property proposed  
7 in this case.

8       9. Staff believes that the borderline agreement is in the public interest as it will allow the  
9 property owner to obtain service at a lower cost, provide Trico with additional revenue, and provide  
10 TEP with the opportunity to serve the customer once the company has installed adjacent facilities.

#### 11                                   CONCLUSIONS OF LAW

12       1. TEP and Trico are public service corporations within the meaning of Article XV, Section  
13 2, of the Arizona Constitution.

14       2. The Commission has jurisdiction over TEP and Trico and the subject matter of the  
15 application.

16       3. The Commission, having reviewed the application, the Borderline Agreement, and the  
17 Staff Memorandum dated February 7, 2001, concludes that the Borderline Agreement is in the public  
18 interest and should be approved.

#### 19                                   ORDER

20       THEREFORE, IT IS ORDERED that the joint application of Tucson Electric Power Company  
21 and Trico Electric Cooperative, Inc., for approval of the Borderline Agreement is hereby approved.

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that Tucson Electric Power shall notify the Utilities Division at  
2 least sixty days prior to providing service to the Bender property.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4  
5 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

6  
7 CHAIRMAN

COMMISSIONER

COMMISSIONER

8 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
9 Secretary of the Arizona Corporation Commission, have  
10 hereunto, set my hand and caused the official seal of this  
11 Commission to be affixed at the Capitol, in the City of  
12 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

13 \_\_\_\_\_  
14 BRIAN C. McNEIL  
15 Executive Secretary

16 DISSENT: \_\_\_\_\_

17 DRS:JEF:lhbm  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

SERVICE LIST FOR: Tucson Electric Power Company and Trico Electric Cooperative, Inc.

1 DOCKET NOS. E-01461A-01-0083 and E-01933A-01-0083

2 Mr. David Couture

Director, Regulatory Affairs

3 Tucson Electric Power Company

4350 East Irvington Road

4 P. O. Box 711, Mail Stop OH122

Tucson, Arizona 85702

5

Mr. Charles N. Emerson

6 Trico Electric Cooperative, Inc.

5100 West Ina Road

7 P. O. Box 35970

Tucson, Arizona 85740-5970

8

Ms. Deborah R. Scott

9 Director, Utilities Division

Arizona Corporation Commission

10 1200 West Washington

Phoenix, Arizona 85007

11

Mr. Christopher C. Kempley

12 Chief Counsel

Arizona Corporation Commission

13 1200 West Washington

Phoenix, Arizona 85007

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28